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*Market Administrator's***BULLETIN***Frederic W. Fisher*

MARKET ADMINISTRATOR

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USDA Reports \$62.8 Million In Donated Foods Enroute to New Schools

The Dairy Situation, Economic Research Service,
USDA, January, 1967

Secretary of Agriculture Orville L. Freeman announced that stepped-up purchases of farm products in recent weeks by the U.S. Department of Agriculture now assures the Nation's schools of substantially increased supplies of donated foods for lunch programs the rest of this school year.

"Already on the way for January and February are some 229 million pounds of a variety of nutritious foods purchased at a cost of \$62.8 million to help schools maintain their food services for children at lowest possible prices," the Secretary said. "We anticipate that in the next 6 months increased level of USDA school food donations will bring the total for this fiscal year approximately to that of last year," he said.

Among the foods now enroute to schools are \$16 million worth of butter, \$12 million USDA Choice grade frozen boneless beef roasts, \$10 million canned beef in natural juices, \$7 million frozen chicken, \$3 million canned grapefruit sections. The scheduled shipments also include substantial quantities of ground beef, cheese, raisins, fresh pears, dry beans, non-fat dry milk, rice, shortening, flour, cornmeal and grits, and rolled wheat and oats.

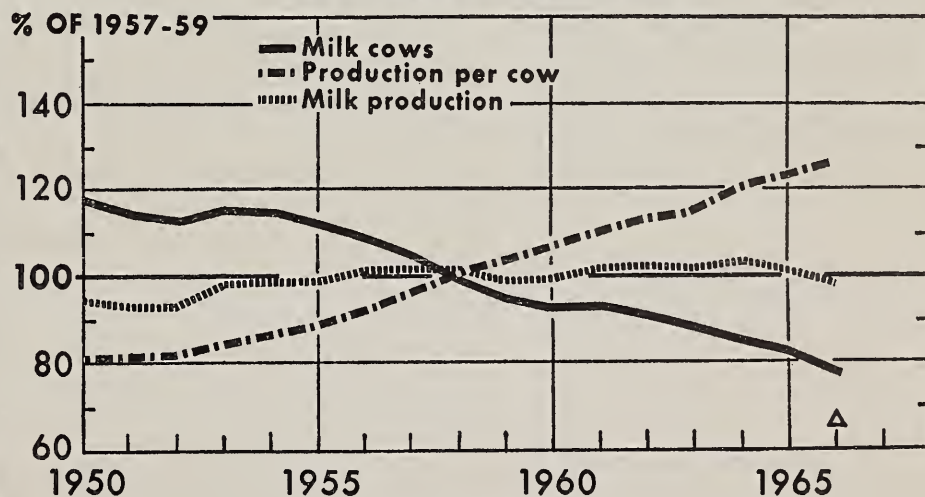
Secretary Freeman noted that the

shipments of flour slated for U.S. schools in just the next 2 months amount to 42.5 million pounds, and pointed out that foreign donations

are made only after there is assurance of supplies for domestic needs.

USDA has also announced intention
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MILK PRODUCTION, COW NUMBERS, AND MILK PER COW



△ PARTLY ESTIMATED.

U. S. DEPARTMENT OF AGRICULTURE

NEG. ERS 2912-66(8)

ECONOMIC RESEARCH SERVICE

The average number of milk cows has declined every year since 1953, from 21.7 million to about 14.6 million in 1966. However, for the same period, milk output per cow has gained an average of 212 pounds per year. As a result, total milk production slowly trended upward. In 1965 and 1966, the trend was interrupted by favorable farm alternatives to dairying, improved off-farm opportunities, and drought in Northeastern States. Milk production likely will resume its upward trend in 1967, because farm milk prices rose sharply in 1966 and are expected to hold their level in 1967.



Columbus

MARKET FACTS FOR EASY REFERENCE

PRICE SUMMARY

Producers' Uniform Price (3.5%)	\$5.73	\$5.80	\$4.83
Class I (3.5%)	5.89	5.79	4.92
Class II (3.5%)	3.92	3.99	3.36
Producer Butterfat Differential for each one-tenth percent	9.5¢	9.5¢	7.3¢

UTILIZATION SUMMARY

Percent of Producer Milk in Class I	84.7	86.8	82.7
Percent of Producer Butterfat in Class I	77.1	79.1	76.7
Percent of Producer Milk in Class II	15.3	13.2	17.3
Percent of Producer Butterfat in Class II	22.9	20.9	23.3

PRODUCER MILK RECEIPTS

Total Pounds Producer Milk Delivered	43,534,202	40,934,182	45,459,868
Average Daily Class I Producer Milk	1,404,329	1,364,473	1,256,260
Total Number of Producers	1,500	1,497	1,615
Average Daily Receipts per Producer	936	912	908
Average Butterfat Test	3.90	3.87	3.88
Total Value of Producer Milk at Test	\$2,571,173	\$2,393,975	\$2,244,651
Income per Producer (7 Day Average)	\$387	\$373	\$313

GROSS CLASS USE (Pounds)

Class I Skim	35,576,572	34,297,466	36,237,657
Class I Butterfat	1,309,919	1,253,858	1,353,526
Class I Milk	36,886,491	35,551,324	37,591,183
Class II Skim	6,258,610	5,051,871	7,458,184
Class II Butterfat	389,100	330,985	410,497
Class II Milk	6,647,710	5,382,856	7,868,681

AVERAGE DAILY SALES (Quarts)

Milk	426,620	429,938	442,623
Buttermilk	5,410	5,369	5,661
Chocolate	26,198	30,534	27,483
Skim	11,318	11,758	12,412
Cream	8,104	8,174	10,241

COMPARATIVE STATISTICS



COLUMBUS MARKETING AREA



DEC., 1957 - '66

Year	Receipts From Producers	Average Butter-fat Test	Percentage of Producer Milk in Each Class				Uniform Producer Price (3.5%)	Class Prices at 3.5%				Number of Producers	Daily Average Production
			Class I	Class II	Class III	Class IV		Class I	Class II	Class III	Class IV		
1957	24,923,644	3.93	79.9	7.4	4.0	8.7	4.24	4.419	4.019	3.919	3.096	1,863	432
1958	23,204,810	4.01	85.1	8.8	1.9	4.2	4.30	4.401	4.001	3.901	2.977	1,712	437
1959	27,160,559	4.01	83.4	6.2	2.1	8.3	4.85	4.758	4.358	3.854	3.155	1,693	518
1960	28,880,166	3.97	79.8	6.2	1.7	12.3	4.79	4.782	4.382	4.063	3.092	1,545	603
1961	32,916,637	3.98	78.0	6.1	1.9	14.0	4.61	4.600	4.200	3.919	3.267	1,329	799
1962	35,463,855	3.98	78.0	5.6	2.0	14.4	4.36	4.310	3.890	3.670	3.050	1,332	859
1963	38,923,732	3.96	77.5	5.8	1.7	15.0	4.62	4.65	4.214	3.785	3.082	1,366	919
1964	45,414,336	3.94	82.2	17.8	—	—	4.76	4.92	3.18	—	—	1,672	876
1965	45,459,868	3.88	82.7	17.3	—	—	4.83	4.92	3.36	—	—	1,615	908
1966	43,534,202	3.90	84.7	15.3	—	—	5.73	5.89	3.92	—	—	1,500	936

Domestic Sales Rising In 1966 and 1967

The Dairy Situation, Economic Research Service, USDA, November, 1966

Domestic sales of milk and dairy products in 1966 are expected to reach about 116 billion pounds milk equivalent, up about 2 billion from 1965. In the first half of 1966, commercial use of milk in all products rose close to 3 percent from a year earlier but second half gains are smaller since the substantial mid-year wholesale and retail dairy price rises. Sales volumes of fluid milk items, American and other varieties of cheese, and frozen desserts have gained. Per capita sales of milk in all products may be up about 1 percent this year from the 493 pounds milk equivalent (total solids basis) of 1965. Per capita sales by this measure have been about steady for several years.

In 1967 the volume of commercial sales of milk and dairy products may total somewhat more than this year. However, per capita sales volume likely will decline, since retail prices are expected to be substantially higher in first half of 1967 than a year earlier; in the second half retail prices likely will equal or exceed levels reached in the same period of 1966. Consumer incomes continue to increase as economic activity expands, but rising food and non-food prices will likely limit 1967 gains in dairy product sales. Domestic civilian consumption in 1967 may rise only slightly from the 118 million pounds

milk equivalent fat solids basis projected for 1966, because increased CCC donations for school lunch and welfare programs may about offset declines in household use of milk on milk producers' farms. Sales of fluid milk products--about half of total dairy products consumed--as expected to be about 56½ billion pounds milk equivalent (fat solids basis) in 1966--about 1 percent more than 1965. The gain is due chiefly to a transfer of consumption from the farm sector, using home-produced milk, to the commercial market and continuing rises in use of low-fat fluid products. This year through August, average daily sales of fluid whole milk in 68 Federal and 9 State marketing areas had increased about ½ percent from a year earlier. The comparable gain for the first 8 months of 1965 was 1.2 percent. Sales of milk and cream mixtures were down 2 percent and fluid cream products, about 3 percent. However, the 10 percent rise in sales of fluid skim and low-fat items pulled January-August sales of fluid milk products (on product-weight basis) more than 1 percent above a year earlier.

Per capita sales of butter in 1966 likely will be under the 1965 level of 5.7 pounds. Use from CCC donations for school lunch and welfare programs declined sharply in 1966--to 43 million pounds from 130 million in 1965.

U.S. Dairy Exports Down In 1966

The Dairy Situation, Economic Research Service, USDA, November, 1966

U.S. exports of dairy products including shipments under Government programs, are expected to total about \$120 million in 1966, compared with \$192 million in 1965 and \$276 million in 1964. Condensed and evaporated milk exports are up this year, but exports of other dairy products are sharply below 1965 levels. Prospects are for 1967 dairy product exports to total about the same as in 1966.

In terms of milk equivalent, exports (including foreign donations of dairy products) will likely total about 0.8 billion pounds in 1966--down from 1.8 billion pounds in 1965 and 6.9 billion pounds in 1964. Exports of nonfat dry milk, estimated at about 400 million pounds in 1966, are down from 863 million pounds in 1965 and 1,311 million pounds in 1964.

CHEESE SALES UP

The Dairy Situation, Economic Research Service, USDA, November, 1966

Sales of cheese rose again this year to 9.9 pounds per person, as gains occurred in both American and other cheese varieties. CCC has had no cheese for distribution this year. Ice cream sales per person are estimated near the 18.6 pounds in 1965. Per capita sales of evaporated milk are estimated at 8.4 pounds below 1965. Nonfat dry milk sales per person likely will be close to those of 1965.

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THE
Market
Administrators
BULLETIN

USDA REPORTS \$62.8 MILLION IN (Continued from Front Page)

to buy substantial quantities of frozen concentrated orange juice, probably starting next month, and supplies should reach most schools in March.

"Since many schools frequently run into the worst financial difficulties in their lunch operations in the late winter and spring, these increased supplies of donated foods will be of maximum timely help," Secretary Freeman noted.

"Normally, the largest food shipments from USDA to schools are made in the first half of each school year. Part of these supplies are the so-called Sec. 6 foods--those bought with National School Lunch Program funds specifically for participating schools. This year, these foods are being supplied at about the same level as in the previous year," the Secretary said.

"However, some foods donated from USDA surplus removal and price support operations were not as readily available earlier this year. The balance between commercial supply and demand for farm products was such that USDA just didn't receive enough offers, in response to invitations, to be able to acquire the quantities needed. Even active efforts to buy butter and cheese under new special purchasing authority for dairy products were unsuccessful until late October when supplies began to increase," Secretary Freeman observed.

Market Quotations

DECEMBER
1966

MINNESOTA - WISCONSIN PRICE SERIES	\$4.14
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Columbus)	3.82
Average Price per lb. 92-score butter at Chicago	.6649
Average carlot prices non-fat dry milk solids roller and spray process, f.o.b. manufacturing plant	.1958

Milk Output to Rise Moderately In '67

The Dairy Situation, Economic Research Service, USDA, November, 1966

U.S. milk production in 1967 probably will total only moderately more than the 121½ to 122 billion pounds expected for 1966 but likely will continue well below the 125.1 billion of 1965. Gains in output per cow are expected to be larger than in 1965 and 1966, but milk cow numbers probably will decline by about 3-4 percent, compared with this year's record 6 percent. The 1967 rate of decline is expected to be closer to the 2.4 percent long-time rate because milk prices have risen relative to beef cattle prices. This rise should encourage farmers to reduce culling. The high milk-feed price ratio should encourage heavy grain and concentrate feeding. The apparent good quality of this year's grain and forage will help increase fall and winter

output per cow from the sharply depressed 1965-66 fall and winter levels. Favorable weather and above normal pasture and hay conditions in 1967 could boost production gains per cow more than the long-time average.

Total milk output indicated for 1966--121½ to 122 billion pounds--is based on the January-September reported production of 93.4 billion pounds, with October-December production forecast at about 28 billion pounds, the same as a year earlier. This fourth quarter forecast is based on third quarter 1966 output and the 1960-64 seasonal production changes. The indicated 1966 production is 3 percent below the 125.1 billion pounds in 1965, and the lowest since 1953.